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Lieutenant Governor

State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

January 29, 2019

Kenneth Fleck, Manager of Geology and Environmental Affairs
Interwest Mining Company
P.O. Box 310
Huntington, Utah 84528

Subject: Phase III Bond Release Approval, PacifiCorp, Deer Creek Mine, C/015/0018, Task #5775

Dear Mr. Fleck:

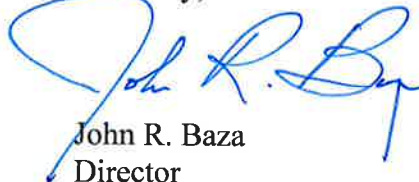
The application for the Phase III Bond Release Mine is approved. PacifiCorp's Phase III bond release request is for 2.33 acres at the Deer Creek Mine, Rilda Canyon Left Fork Facilities area. A bond release inspection was conducted on November 27, 2018, which included representatives from the Interwest Mining Company, Bureau of Land Management, Emery County, US Forest Service, Office of Surface Mining, Utah Division of Wildlife Resources and Utah Division of Oil, Gas and Mining. A Phase III Bond Release decision was prepared by the Division of Oil, Gas and Mining and distributed to OSM on January 7, 2019 with recommendation for approval.

The OSM, Denver Field Division, submitted a letter dated January 29, 2019 which agreed with the Division's findings and decision document and concurred with the bond release action. The OSM letter of concurrence is enclosed for your records.

At this time, please submit a C2 form for instructions on updating the Mining Reclamation Plan.

If you have any questions, please contact Steve Christensen at (801)538-5350.

Sincerely,



John R. Baza
Director

JRB/SKC/sqs

Enclosed

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United States Department of the Interior

OFFICE OF SURFACE MINING
Reclamation and Enforcement
Western Region Office
1999 Broadway, Suite 3320
Denver, CO 80202-3050



January 29, 2019

Mr. John Baza, Director
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, UT 84116

Re: Phase III Bond Release Application, Task #5775; PacifiCorp; Deer Creek Mine; C/015/0018

Dear Mr. Baza:

This letter acknowledges the Office of Surface Mining Reclamation and Enforcement's (OSMRE) receipt and review of the Utah Division of Oil, Gas and Mining's (DOGM) subject Decision Document, dated January 7, 2019. Under Task #5775, PacifiCorp requests Phase III bond release on 2.33 acres at the Deer Creek Mine, Rilda Canyon Left Fork Facilities area. DOGM notes PacifiCorp's compliance with the approved Utah regulatory program at R645-301-880 *et seq* and recommends authorizing final bond release on all 2.33 acres. OSMRE participated in the Rilda Canyon Left Fork Facilities field evaluation on November 27, 2018.

Mineral ownership associated with the subject parcel is federal; accordingly, the Bureau of Land Management provided its concurrence with DOGM's decision by letter dated December, 2018. We interpret this to mean that PacifiCorp is in compliance with all applicable mineral lease stipulations. The subject parcel occurs within the Manti-La Sal National Forest; the US Forest Service likewise provided its concurrence by letter dated December 4, 2018. PacifiCorp requests, and DOGM proposes to grant, reclamation liability release only and no reduction in the current bond amount of \$3,374,000. In accordance with 30 CFR § 740.15 (d)(3) and 30 CFR § 944.30, Article IX, Section B of the State-Federal Cooperative Agreement, OSMRE provides its concurrence with this action.

Please direct any questions to Tom Medlin, Environmental Protection Specialist, at (303) 293-5083.

Sincerely,

Howard E. Strand, Manager
Denver Field Branch

c: PacifiCorp